Restriction on import of Ampicillin Sodium sterile

2051. SHRIMATI RATAN KUMARI: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 678 given in the Rajya Sabha on the 5th September, 1991 and state:

(a) whether it is a fact that imports of Ampicilin Sodium sterile were restricted resulting in black marketing of its price by the producer;

(b) whether it is a fact that the drug is being sold at Rs. 4500 per kg. against the notified price of Rs. 2916 per kg.;

(c) what are the names of the producers of this drug and what was its production during the last three years, year-wise;

(d) what is the estimated demand for 1991-92;

(e) what are the basis on which import restriction was recommended;

(f) whether it is also a fact that the major producer did not provide cost data but despite this import restriction was recommended; and

(g) what was the price of drug before custom duty concession on inputs and what was after concession?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) No Sir.

(b) No such instance has come to the notice of the Government.

(c) In the organised sector Ampicillin Sodium is being produced by only one unit viz. M/s. Armour Chemicals. To the extent available their production is as follows:

1989—90 MT	1990—91 MT	April, 91 June, 91 MT
2	19.5	9.5

Apart from this, there are a number of producers in the small scale sector, the production of those units is not monitored".

(d) Estimated demand for 1991-92 is 91 MT.

(e) and (f) Imports of Ampicillin Sodium have been restricted to encourage indigenous production, which is one of the basic objectives of drug policy and to check the outflow of foreign exchange..

(g) Price of Ampicillin Sodium Sterile was fixed on 13-9-90 at Rs 2941 kg. which has subsequently been revised at Rs. 3653 kg w.e.f. 28-11-91.

Higher prices for Betamethasone and its salts

2052. SHRIMATI RATAN KUMARI: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 671 given in the Rajya Sabha on the 5th September 1991 and state:

(a) whether it is a fact that instead of investigating the conduct of Murthy Committee, Government and BICP have joined hands to give M/s Glindia a price equal to or higher than the price fixed by Murthy Committee for Betamethasone and its salts;

(b) whether it is a fact that his predecessor did not find any justification in giving benefit of cost reduction allegedly on account of R and D to the producers;

(c) what is the magnitude and names of bulk drugs in respect of which such benefit has been recommended by BICP;

(d) whether it is a fact that Government have not laid down any guidelines; and

(e) if so, how the benefit has been recommended in the absence of any guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Prices of bulk drugs are fixed/revised in accordance with the provisions laid down under DPCO 1987 on the basis of the cost-cum-technical study conducted by the BICP and detailed examination of these reports in this Ministry.

(b) to (e) The recommendations regarding retention of 50 per cent reduction in cost due to R&D efforts made by a company in respect of any bulk drug manufactured by it, from basic stage was made by Kelkar Committee and it has been accepted by the Government. Such a benefit has been extended in case of bulk drug Isosuprine Hcl. only, so far.

Inserting new rule in IDPL conduc/, discipline Rule, 1978

2053. SHRI CHHOTUBHAI PATEL: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Indian Drugs and Pharmaceuticals Limited has inserted a new rule in March, 1990 in their service rule book (IDPL Conduct, Discipline Rule, 1978);

(b) whether it is also a fact that under this rule the services of even permanent employees can be terminated without Show Cause Notice;

(c) whether it is a fact that the ruling of Supreme Court in the DTC case has stated clearly that the permanent employees cannot be terminated without proper enquiry; and

(d) if so, what action Government propose to take in this behalf?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) In March, 1990, a new Rule 30 A was incorporated in the Conduct, Discipline and Appeal Rules, 1978. The rule provides for termination of the services of a permanent employee on notice without enquiry on the following contingencies:

(i) if the post held by the employee is abolished;

(ii) if an employee is declared to be unfit on medical grounds for the service of the company;

(iii) if an employee remains on unauthorised absence for 30 days or more.

The Rule also provides for the following:

(1) In case of (i) and (ii) above, the services shall be terminated after giving 3 months' notice to a permanent employee and one month's notice to a temporary employee or pay in lieu thereof in both the cases;

(2) In the case of (iii) above, services of an employee shall be terminated if he fails to explain his conduct satisfactorily within 15 days from the date of receipt of the Show Cause Notice by him. The Management shall be empowered to take a decision without resorting to further inquiries.

(3A) The decision in case of (iii) above would be taken only with the prior approval of a Screening Committee of 2 Directors/Executive Directors, to be constituted for this purpose by the Chairman & Managing Director.

(B) The reasons for the decision would be recorded in writing.

Rule 30A has been incorporated by Board of Directors of Indian Drugs and Pharmaceuticals Limited in consonance with the Supreme Court ruling in the case of Pyare Lal Sharma Vs. Managing Directors & Others in Civil Appeal No. 3154 and 3155 of 1985 while upholding certain amendments in the Rules of Jammu & Kashmir Industries Ltd.

In view of the ruling of the Supreme Court in DTC case, the company has been directed to obtain expert legal advice and review the matter at the earliest.